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Ag 84 Pro #304

COTTON - 1957

Allotments • Quotas

#304

A cotton growers' referendum on Tuesday, December 11, 1956, will decide whether marketing quotas will be in effect for the 1957 upland cotton crop.

All farmers who engaged in the production of upland cotton in 1956 will be eligible to vote in the referendum.

At least two-thirds of the growers voting must approve the quotas if they are to be continued in effect.

The vote is **not** on allotments. Whether quotas are approved or disapproved, cotton allotments will be in effect as a means of determining eligibility for price support.

These are the issues which the referendum vote will determine:

If producers approve quotas:

1. Marketing quotas, with penalties on "excess" cotton, will be in effect on all farms growing upland cotton in 1957.
2. Price supports will be available to "eligible" growers (who comply with their 1957 cotton acreage allotments) at the full level of effective supports. Current legislation provides that this support shall be between 75 and 90 percent of parity, the minimum level within this range depending upon the supply situation at the time the determination is made.

If producers disapprove quotas:

1. Marketing quotas and penalties will not be in effect for the 1957 upland cotton crop.
2. Price supports to eligible growers (those who comply with their allotments) will be available at 50 percent of parity, as directed by law.

Why Quotas?

The Secretary of Agriculture is required by law to proclaim a national marketing quota for the next upland cotton crop when the estimated total supply (carryover plus current crop plus imports) exceeds the calculated "normal" supply (expected domestic consumption and exports plus a 30-percent reserve).

Prospective supplies for the 1956-57 marketing year are estimated at 27,550,000 running bales. This is 9,870,000 bales above the estimated normal supply of 17,680,000 bales.

In accordance with recent provisions of law, the national marketing quota for the 1957 crop of upland cotton has been set at the number of bales required to provide an acreage allotment equal to the 1956 allotment. The national acreage allotment for the 1957 crop, therefore, is 17,391,304 acres.

In addition, the new law provides for the 1957 crop 100,000 acres for use in establishing minimum farm allotments and 94,159 acres for establishing minimum State allotments at 99 percent of the 1956 State allotment. Thus, the total acreage available for establishing upland cotton farm allotments for 1957 is 17,585,463 acres.

Based on a national average yield of 304 pounds per acre for the 5-year base period, 1951-55, and a national acreage allotment of 17,391,304 acres, the national marketing quota is 11,014,493 bales (standard bales of 500 pounds gross weight).

The national marketing quota is defined as the amount of cotton needed from the next crop to make available a "normal" supply of cotton. If there were no legal "minimums" on the size of the national marketing quota, the amount of the quota for 1957 would be only 2,450,412 bales.

The national acreage allotment for the 1957 upland cotton crop is divided among States, and the State allotments—less a reserve for special adjustments and new farms—among counties on the basis of the acreage planted to cotton in each State and each county during the 5 years in the base period, with certain adjustments as provided by law.

Quotas on the Farm

Under a marketing quota program, a farmer may market free of a quota penalty all the cotton in his farm marketing quota; he must pay a penalty on any cotton in his "farm marketing excess," that is, on cotton produced in excess of his farm marketing quota.

The individual farm marketing quota is determined as follows:

If the acreage of upland cotton on the farm in 1957 does not exceed the farm acreage allotment, the farm marketing quota is the entire production of upland cotton on the farm. Within a time limit, a farmer who has initially overplanted cotton will be permitted to adjust the acreage to the farm allotment.

If the upland cotton acreage is in excess of the farm acreage allotment and the farmer does not adjust it within the permitted time, the farm marketing quota will be the total production of cotton on the farm less the "farm marketing excess." The farm marketing excess will be the normal yield per acre established for the farm, multiplied by the acreage of cotton on the farm in excess of the allotment. If the producer establishes promptly after harvest that the actual yield per acre for the farm is less than the normal yield, the County ASC Committee will reduce the amount of the farm marketing excess.

Under current legislative provisions, the penalty per pound on "excess" upland cotton, if quotas are approved for 1957, will be 50 percent of the cotton parity price as of June 15, 1957. (For 1956, the penalty was 17.7 cents per pound.) Until the penalty on the farm marketing excess of cotton is paid, the farm's entire crop of upland cotton will be subject to a lien in favor of the United States.

Farm Allotments

All farms on which cotton was planted (or considered as planted) in any of the years 1954, 1955, or 1956 will be eligible for cotton allotments in 1957 as "old cotton farms."

To the extent that the county allotment, less the county reserve, is adequate, there will be computed for each old cotton farm an allotment for 1957 equal to the smaller of 4 acres or the highest number of acres planted to cotton on the farm in any of the last 3 preceeding years.

If cotton was not planted (or considered as planted) on a farm in any of the years 1954, 1955, or 1956, and the operator

wishes a cotton allotment for 1957, the operator (or the owner, if there is no operator) must meet certain eligibility requirements. He must also file—not later than the established closing date set by the State Agricultural Stabilization and Conservation Committee—an application with the County ASC office for consideration of an allotment for his farm as a "new cotton farm."

- ● ● Cotton allotments are established for specific farms (not persons) and may not be transferred in whole or in part by the operator or other producer from one farm to another.
- ● ● If a farmer wishes to plant fewer acres to cotton than his farm allotment, the entire 1957 cotton allotment for the farm will be considered as having been planted to cotton **provided** the farm owner or operator files an official "Request To Preserve Acreage History" by June 1, 1957.
- ● ● A cotton allotment may be released for reapportionment to other farms or may be placed in the Soil Bank cotton Acreage Reserve. Within certain limitations, this allotment will be considered as having been planted to cotton on the farm.

Appeal Rights

A producer who is dissatisfied with his farm acreage allotment may ask for a review of his case by a review committee appointed by the Secretary of Agriculture. His request must be filed in writing within 15 days after the County ASC Committee mails the farm allotment notice. If the farmer is not satisfied with the review committee's decision, he may—within 15 days— institute proceedings for a review of the case by a court.

A separate referendum will be held—also on December 11, 1956—on marketing quotas for extra long staple cotton (such as American-Egyptian, Sea Island and Sealand) in counties where this kind of cotton is produced.

For further information, see your County Agricultural Stabilization and Conservation Committee.